



United States Department of Justice  
Bureau of Alcohol, Tobacco, Firearms and Explosives

## SHOT Show – January 2011



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WHERE THE INDUSTRY COMES TOGETHER

- Inspection Findings

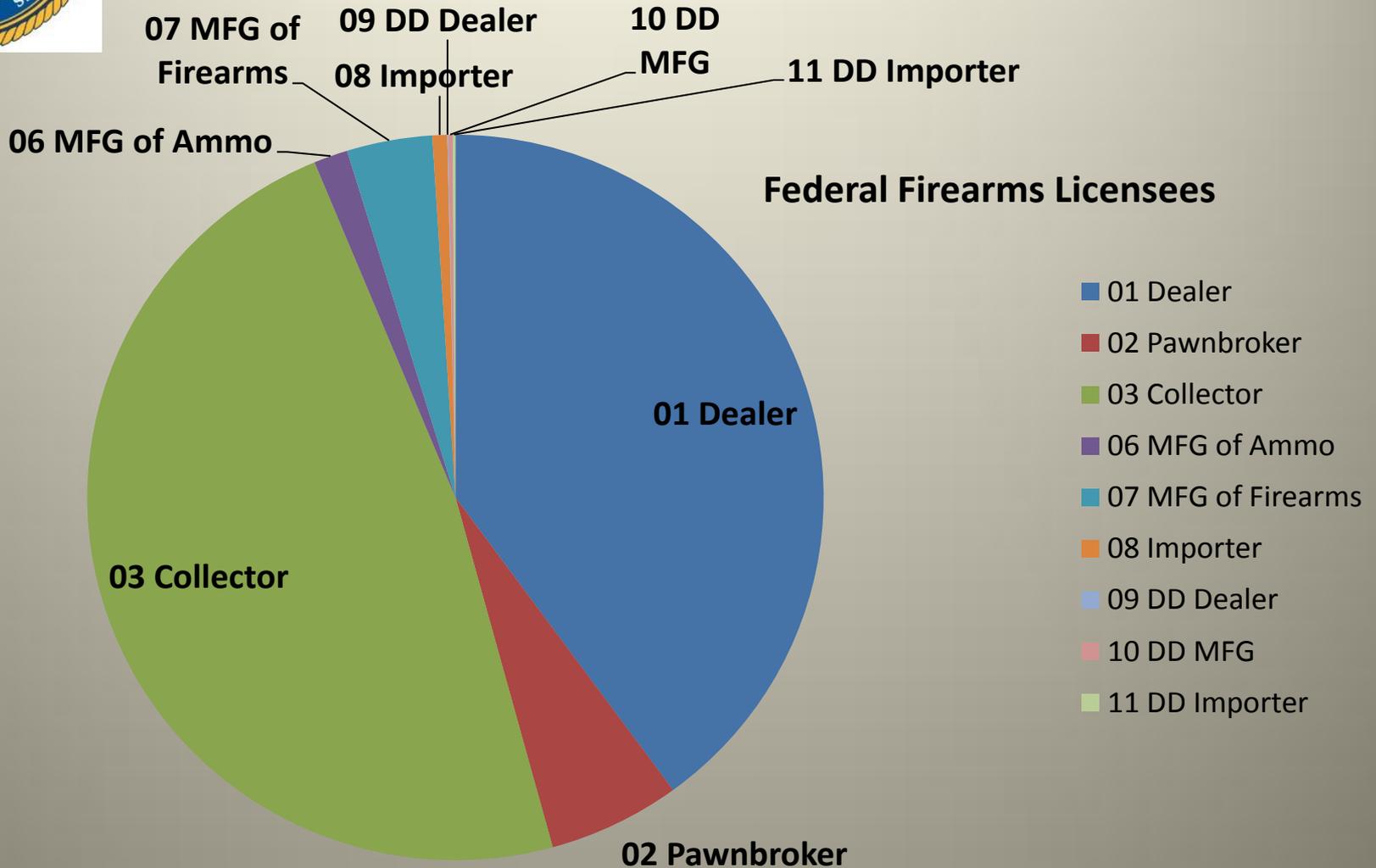


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	<b>Number</b>	<b>Percent</b>
01 Dealer	47,744	39.93%
02 Pawnbroker	6,941	5.81%
03 Collector	57,393	48.01%
06 MFG of Ammo	1,789	1.50%
07 MFG of Firearms	4,487	3.75%
08 Importer	774	0.65%
09 DD Dealer	40	0.03%
10 DD MFG	242	0.20%
11 DD Importer	146	0.12%
	<b>119,556</b>	<b>100.00%</b>



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## **Compliance Inspections have three purposes:**

- 1. Evaluate the level of compliance and educate the licensee regarding regulatory compliance;**
- 2. Promote voluntary internal controls beyond the regulations to prevent diversion; and**
- 3. To detect diversion if present.**



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COMPLIANCE INSPECTIONS PERFORMED  
FY 2010

No Violations	5,293	50.23%
Report of Violations	1,366	12.96%
Warning Letter	1,408	13.36%
Warning Conference	820	7.78%
Revoke/Deny Renewal	67	0.64%
Surrendered ILO Revocation	33	0.31%
Out of Business	1,373	13.03%
Other	178	1.69%
Inspections Completed	10,538	100.00%



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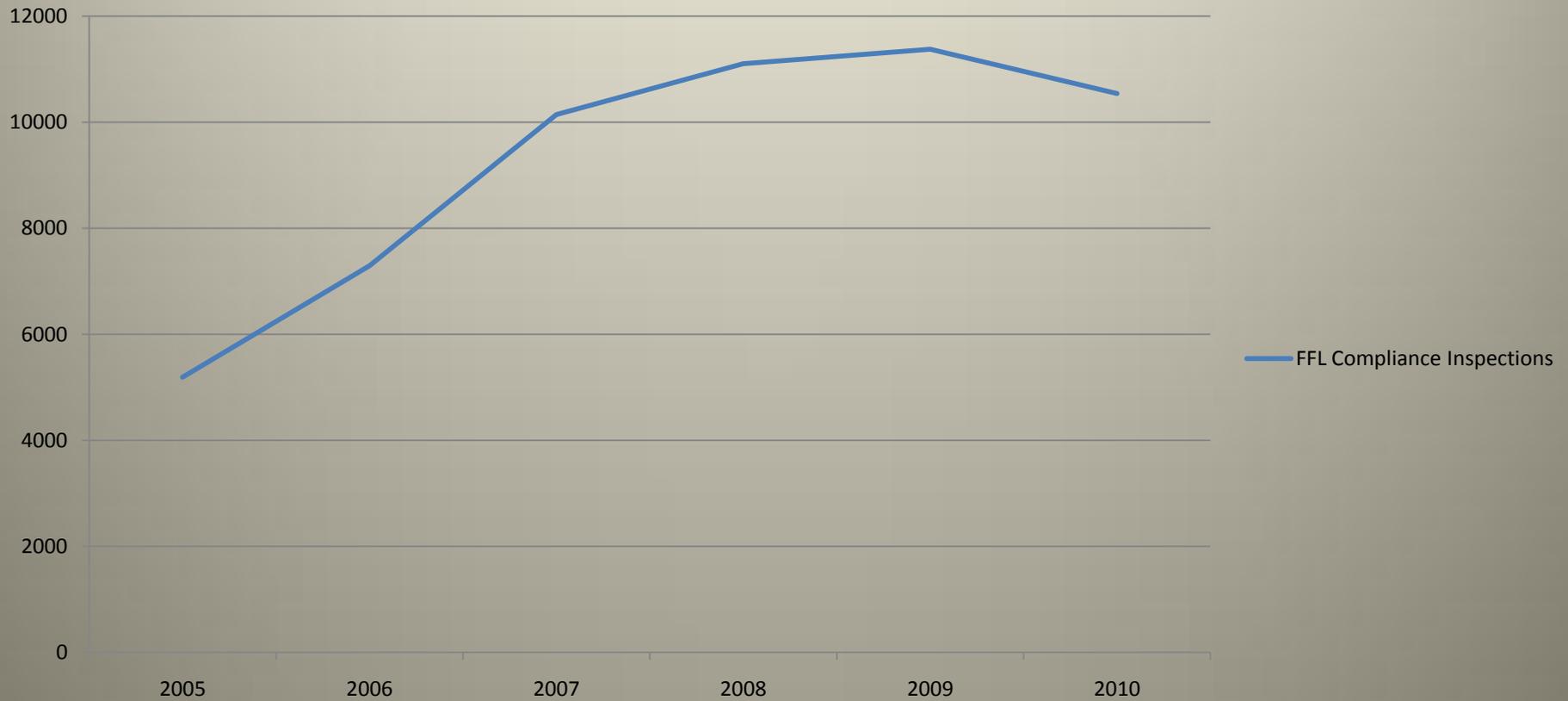
**FFL Compliance Inspection Recommendations**

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>No Violations</b>	<b>38.10%</b>	<b>42.50%</b>	<b>41.19%</b>	<b>47.05%</b>	<b>53.79%</b>	<b>50.23%</b>
<b>Report of Violations</b>	<b>10.60%</b>	<b>11.46%</b>	<b>13.30%</b>	<b>11.38%</b>	<b>10.60%</b>	<b>12.96%</b>
<b>Warning Letter</b>	<b>7.65%</b>	<b>9.95%</b>	<b>14.34%</b>	<b>13.06%</b>	<b>11.89%</b>	<b>13.36%</b>
<b>Warning Conference</b>	<b>15.05%</b>	<b>9.95%</b>	<b>10.45%</b>	<b>10.13%</b>	<b>8.64%</b>	<b>7.78%</b>
<b>Revoked/Denied Renewal</b>	<b>2.47%</b>	<b>2.07%</b>	<b>0.96%</b>	<b>0.85%</b>	<b>0.63%</b>	<b>0.64%</b>
<b>Surrendered ILO</b>						
<b>Revocation</b>	<b>3.58%</b>	<b>2.58%</b>	<b>2.43%</b>	<b>1.26%</b>	<b>0.35%</b>	<b>0.31%</b>
<b>OOB/Not ILO Revocation</b>	<b>19.64%</b>	<b>16.70%</b>	<b>15.44%</b>	<b>15.48%</b>	<b>14.10%</b>	<b>13.03%</b>
<b>Other</b>	<b>2.91%</b>	<b>4.78%</b>	<b>1.89%</b>	<b>0.80%</b>	<b>0.00%</b>	<b>1.69%</b>
<b>Total</b>	<b>100.00%</b>	<b>99.99%</b>	<b>100.00%</b>	<b>100.01%</b>	<b>100.00%</b>	<b>100.00%</b>



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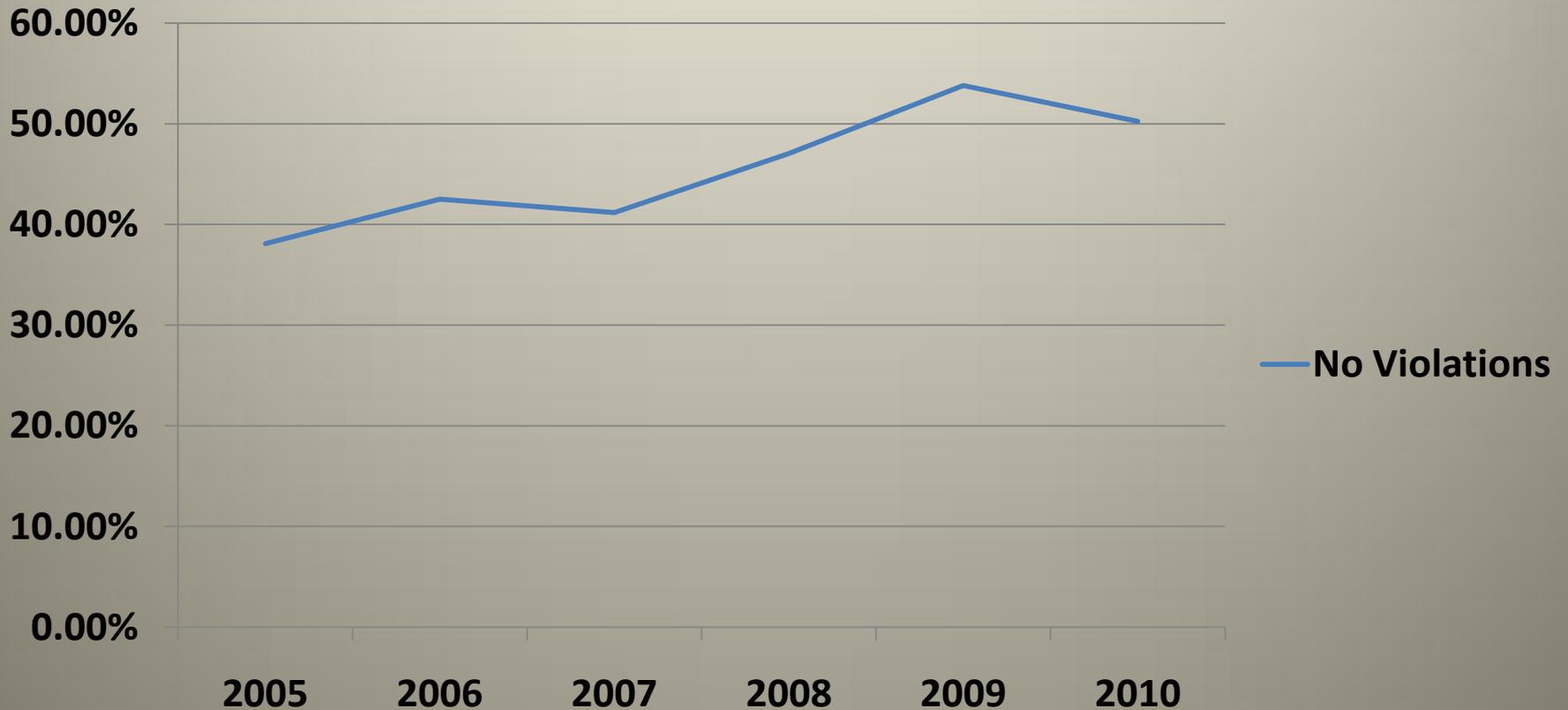
### FFL Compliance Inspections





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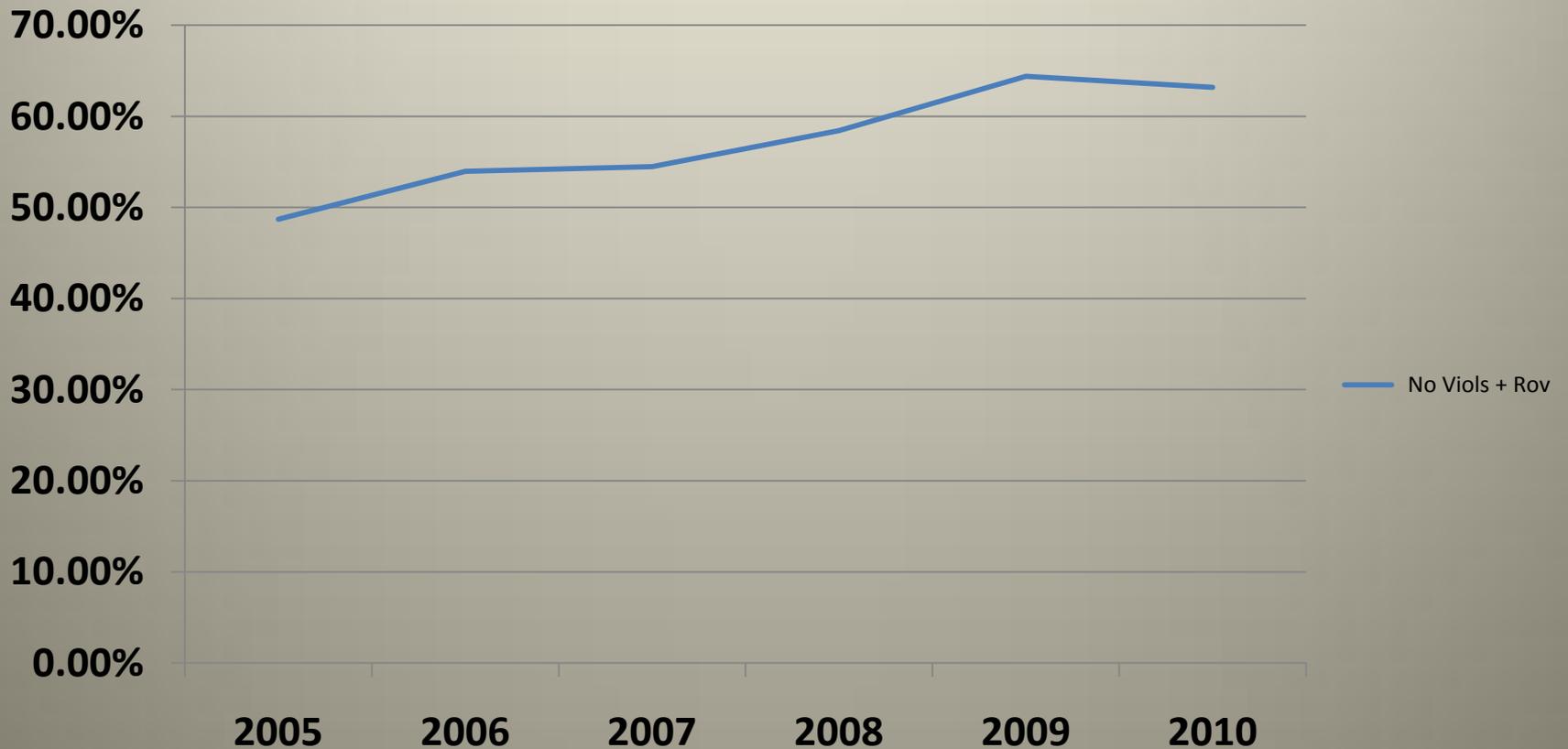
### No Violations





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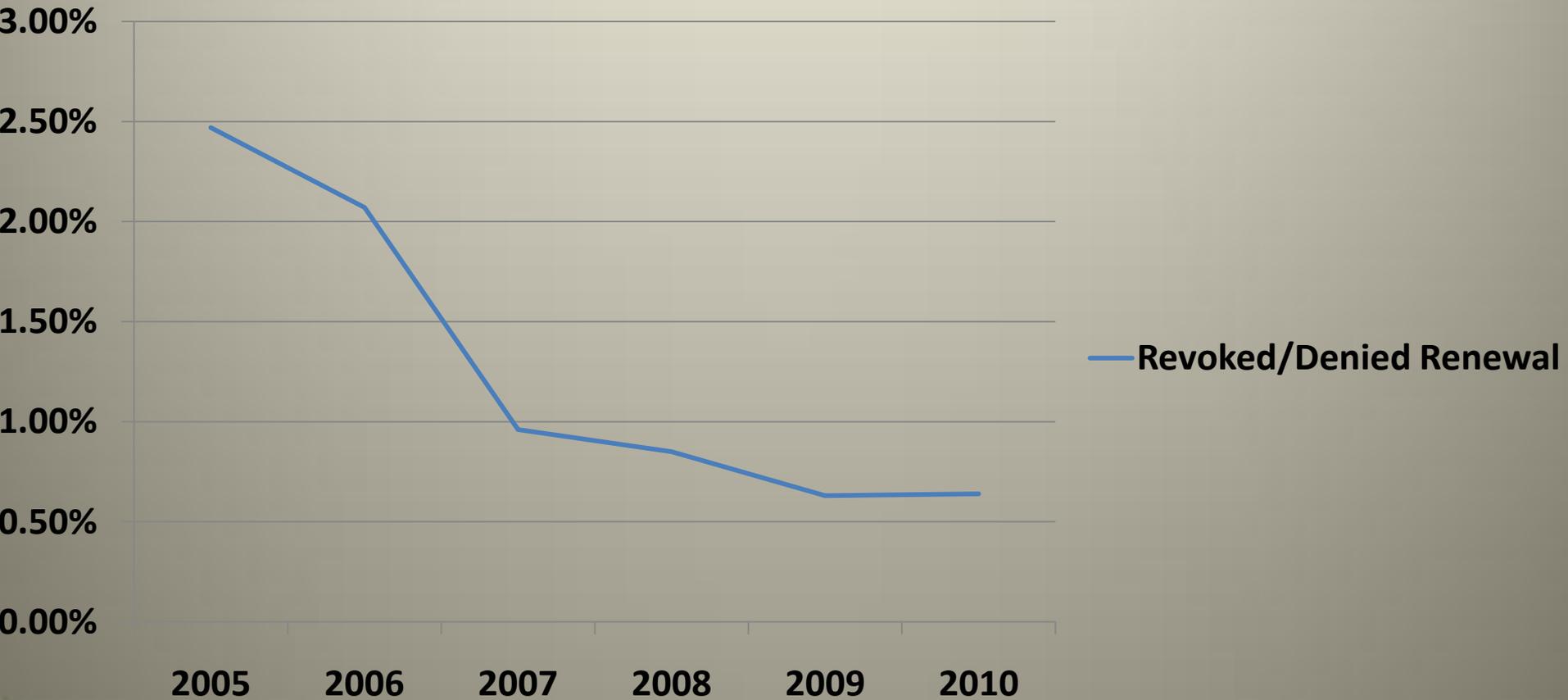
**No Violations and Report of Violations Only Combined**





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### Revoked/Denied Renewal



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MOST FREQUENTLY CITED FIREARMS VIOLATIONS		YEAR					
		FY 2010		FY 2009		FY 2008	
Citation	Violation Description	No.	RANKING	No.	RANKING	No.	RANKING
27 CFR 478.125(e)	Failure to timely or accurately record information in bound record (A&D record)	2380	1	2194	1	2893	1
27 CFR 478.124(c)(1)	Transferee did not properly complete Section A, F 4473	1938	2	1707	2	2158	2
27 CFR 478.21 - (a) - (b)	Failure to complete forms as indicated in instructions (this violation is often cited when the licensee failed to properly complete a form, but there is not a separate regulatory citation addressing the omitted or erroneously documented item)	1785	3	1578	3	1846	3
27 CFR 478.124(c)(3)(iv)	Licensee did not record on F 4473 the date on which NICS was contacted	1540	4	1385	4	1818	4
27 CFR 478.124(c)(3)(i)	Licensee failed to obtain and/or document purchaser's ID	1425	5	1206	5	1627	5
27 CFR 478.126a	Licensee failed to report multiple handgun sales	1166	6	928	7	1159	7
27 CFR 478.124(c)(5)	Licensee did not sign and date F 4473	1152	7	993	6	1279	6
27 CFR 478.124(c)(4)	Licensee failed to properly identify firearm on F 4473	625	8	554	8	715	8
27 CFR 478.124(c)(3)(ii)	Licensee failed to require proper evidence of residency of lawful alien	391	9	358	9	500	9
27 CFR 478.99(c)	Licensee disposed of firearm to a person he/she had reasonable cause to believe was prohibited	318	10	258	10	267	13



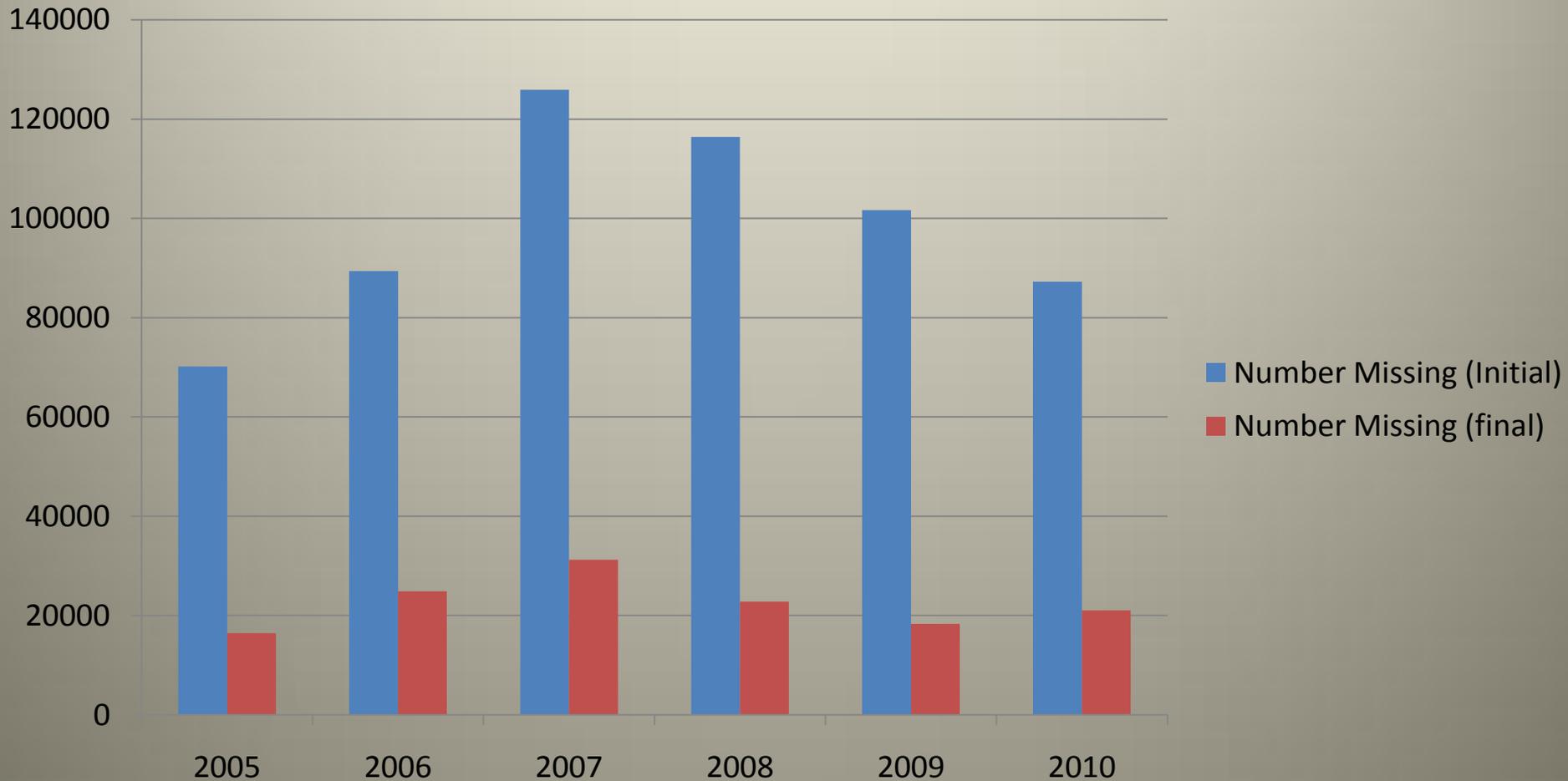
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	2008	2009	2010	Total
Initial Missing Firearms	116,380	101,648	87,225	305,253
Final Missing Firearms	22,770	18,323	21,041	62,134



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**Firearms Inventory Discrepancies**



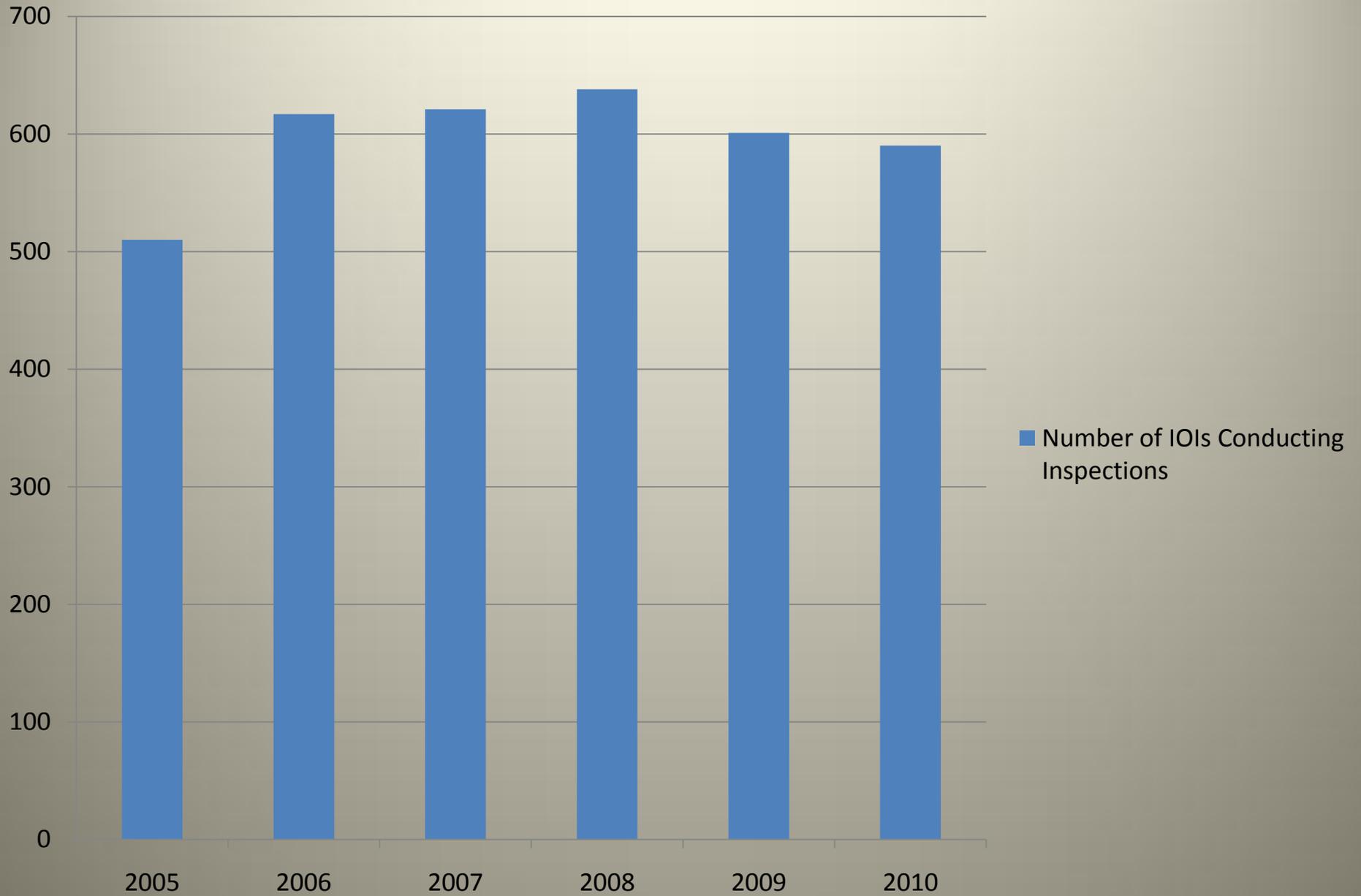


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# IOI Staffing

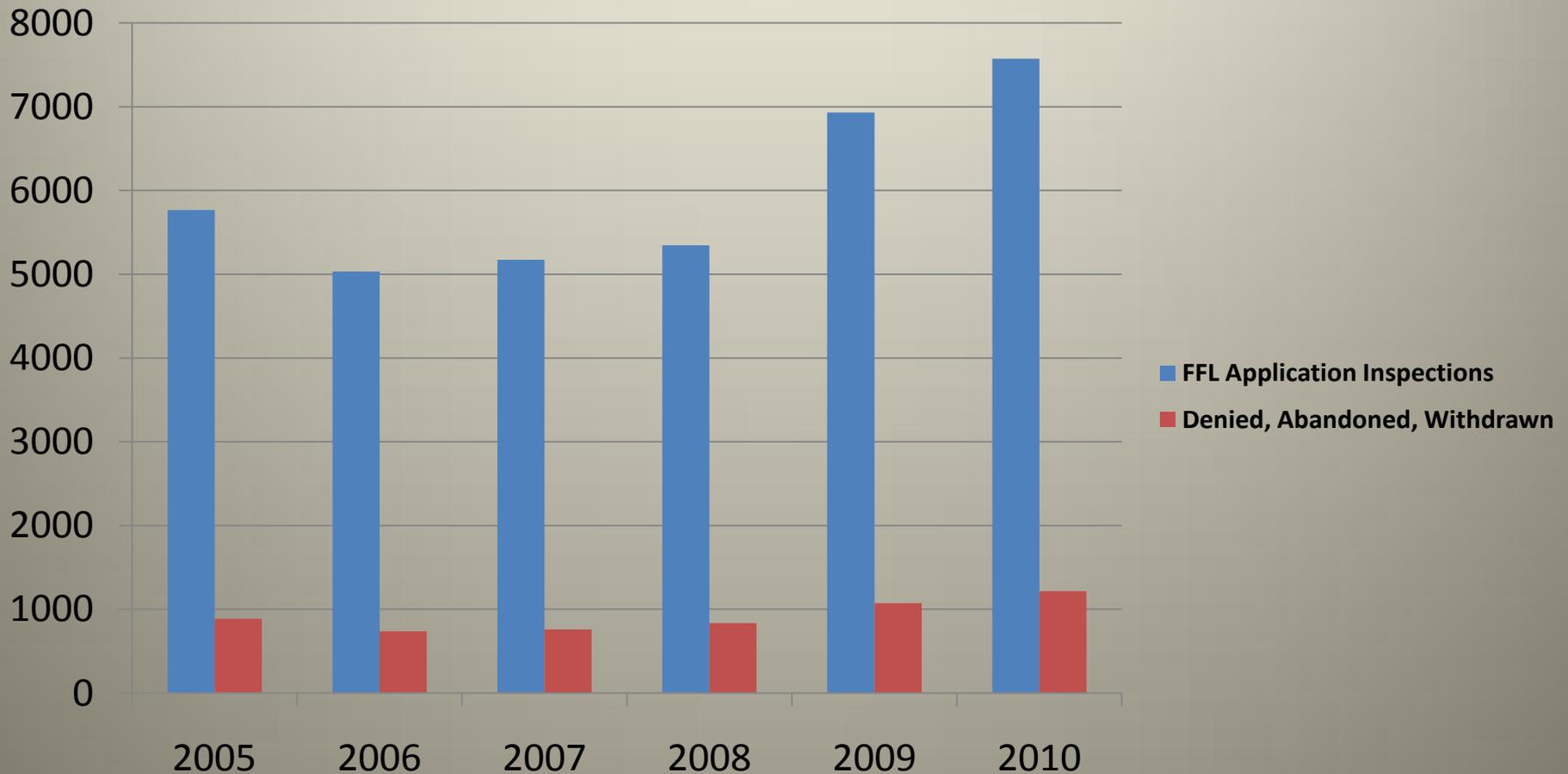
BOFY 2011 – 624 Nonsupervisory IOIs

## Number of IOIs Conducting Inspections





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# IOI Workload

Federal Explosives Licenses and Permittees

# IOI Workload (Firearms)

## Priority Order

- Mandatory
  - Firearms Theft Investigations
  - Prohibited Person Verification
  - FFL Qualification (excludes 03 Collectors)
  - 20% of licensed importers and MFGs  
(excludes 06 MFG of Ammo)
  - Recalls – Alternate to Revocation
  - Gun Show and Other Outreach Activities

## Other Firearms Activities

- Recalls-Warning Conference on Prior Inspection
- High Risk Firearms – Field Division choice of what FFLs to Inspect:
  - \* 1 IOI dedicated to support violent crime investigations
  - \* FFLs targeted based upon division intelligence
  - \* FFLs targeted based upon several risk assessment tools such as traces, multiple sale data, NICS denial ratio, weapons recovered in Mexico, FFLs not inspected for more than 5 years, etc.



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# Additional Requirements

- Internal audits
- Outreach
- Special requests
- Collateral inspection requests
- Explosives/Firearms Theft/loss
- ATF Magazines
- Etc, etc., etc...

## Performance Measures

### What Gets Measured, Gets Done

FY 2010 and subsequent:

- \* Percent of industry members who have been inspected (qualification and/or compliance) in the last five years.
- \* Firearms missing from inventory (initial and post reconciliation).
- \* number of compliance inspections conducted annually
- \* % of ATF license actions upheld by judicial rulings
- \* % of license applications acted upon within authorized time frames



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